



0000153182

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP - Chairman
 GARY PIERCE
 BRENDA BURNS
 BOB BURNS
 SUSAN BITTER SMITH

2014 MAY -1 A 10:47

ARIZONA CORPORATION COMMISSION
 DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

MAY 01 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
 SOUTHWESTERN TELEPHONE COMPANY, AN
 ARIZONA CORPORATION, FOR A HEARING
 TO DETERMINE THE EARNINGS OF THE
 COMPANY, THE FAIR VALUE OF THE
 COMPANY FOR RATEMAKING PURPOSES,
 AND TO INCREASE RESIDENTIAL RATES AS
 NECESSARY TO COMPENSATE FOR THE RATE
 IMPACTS OF THE FCC'S USF/ICC
 TRANSFORMATION ORDER.

DOCKET NO. T-01072A-13-0412

ORIGINAL

PROCEDURAL ORDER

BY THE COMMISSION:

On April 23, 2014, the Federal Communication Commission ("FCC") met in open meeting and, as it relates to this proceeding, adopted a seventh order on reconsideration of its *USF/ICC Order* and a Notice of Further Rulemaking, in which it purportedly delays imposition of the rule increasing the local service rate floor from June 1, 2014, until December 2014, and indicated that it would phase-in the full impact of the rule over a multi-year period.

On April 28, 2014, the Applicant and Staff appeared through counsel for a telephonic procedural conference to discuss the impact of the FCC's April 23, 2014 actions, in particular, whether the FCC was continuing to require new local service rates in place by June 1, 2014, and whether the Recommended Opinion and Order ("ROO") in this matter needed to be issued for the Arizona Corporation Commission ("Commission") regularly scheduled May 13, 2014 Open Meeting.¹

¹ Six rural Arizona incumbent local exchange carriers ("ILECs") filed similar rate case applications around the same time in order to comply with the FCC's *USF/ICC Order*. All six are represented by the same legal counsel and several of the carriers have common ownership. Although separate hearings were held for each entity, the proceedings are being coordinated to promote efficiency. The dockets are: Docket No. T-02063A-13-0411 (Arizona Telephone Company); Docket No. T-01072A-13-0412 (Southwestern Telephone Company); Docket No. T-01923A-13-0428 (South Central Utah Telephone Association, Inc.); Docket No. T-02724A-13-0416 (Table Top Telephone Company, Inc.); Docket No. T-01847A-13-0457 (Valley Telephone Cooperative, Inc.); and Docket No. T-02727A-11-0458 (Copper Valley Telephone, Inc.). A substantially similar Procedural Order is being issued in each of these dockets.

1 At the time of the Procedural Conference, the FCC had not made a written copy of its order
2 available, and the parties could not be absolutely certain whether the June 1, 2014 deadline was still
3 in effect, nor what rate would be applicable December 1, 2014. In order to make an informed
4 decision in this matter, it is important that the Commission know what action the FCC took with
5 respect to the mandatory local exchange service rate floor. The parties agreed that a status conference
6 in a little over a week, May 7, 2014, would be beneficial. In the meantime, counsel for the Applicant
7 agreed to waive the ten day exception period for the ROO in this matter in case the Commission
8 needs to issue a decision in this matter prior to June 1, 2014.

9 IT IS THEREFORE ORDERED that a **telephonic procedural conference**, for the purpose of
10 updating the status of the FCC's recent action, shall commence in this matter on **May 7, 2014, at**
11 **10:00 a.m.**, or as soon thereafter as practical, at the Commission's Tucson offices, **Room 218, 400**
12 **W. Congress, Tucson, AZ 85750**. To participate, interested parties may utilize the following bridge
13 line: **1-888-450-5996, Code 457395**.

14 IT IS FURTHER ORDERED that in the interest of judicial efficiency and economy, the
15 Procedural Conference in this matter will be held concurrently with Procedural Conferences being set
16 for in the other rural ILEC dockets.

17 ...

18 ...

19 ...

20 ...

21 ...

22 ...

23 ...

24

25

26

27

28

1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
2 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
3 hearing.

4 DATED this 28th day of April, 2014.

5
6 
JANE L. RODDA
7 ADMINISTRATIVE LAW JUDGE
8

9 Copies of the foregoing mailed/delivered
this 28th day of April, 2014, to:

10 Craig A. Marks
11 Craig A Marks, PLC
10645 N. Tatum Blvd, Ste. 200-676
12 Phoenix, AZ 85028
Attorney for Southwestern Telephone Co.

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

13 Steven M. Olea, Director
14 Utilities Division
ARIZONA CORPORATION COMMISSION
15 1200 West Washington Street
Phoenix, AZ 85007

16
17 By: 
Jane L. Rodda
18
19
20
21
22
23
24
25
26
27
28